

# **MEMORANDUM OF UNDERSTANDING**

between

**CITY OF SANTA CLARA**

and

**MISCELLANEOUS UNCLASSIFIED  
EMPLOYEES  
UNIT 9**



**DECEMBER 18, 2005 – DECEMBER 13, 2008**

**MEMORANDUM OF UNDERSTANDING**  
**between**  
**CITY OF SANTA CLARA**  
**and**  
**MISCELLANEOUS UNCLASSIFIED MANAGEMENT EMPLOYEES, UNIT # 9**  
**DECEMBER 18, 2005 – DECEMBER 13, 2008**

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**MISCELLANEOUS UNCLASSIFIED MANAGEMENT EMPLOYEES, UNIT # 9**  
**DECEMBER 18, 2005 – DECEMBER 13, 2008**

In accordance with the provisions of Section 18 of the City of Santa Clara Resolution #2979, entitled "Employer-Employee Relations", this Memorandum of Understanding constitutes the results of discussions between designated representatives of the City Management Staff (City) and the Miscellaneous Unclassified Management Employees of the City of Santa Clara (Unit 9) on all matters within the scope of representation. The term of this Agreement shall be from December 18, 2005 through December 13, 2008.

1. **TOTAL COMPENSATION**

A. For the purposes of this agreement, total compensation is defined to include the following items:

- 1) Salary
- 2) Fringe Benefits:
  - a. Retirement (including Social Security)\*
  - b. Holiday Pay\*
  - c. Vacation Pay\*
  - d. Insurance
    - (1) Life
    - (2) Health
    - (3) Dental
    - (4) Long-Term Disability
    - (5) Non-Recoverable Health Services/Professional Development
    - (6) Retiree Medical

\*These elements are directly tied to salary and move as a function of salary. No independent movement is allowed in these element areas.

B. For each of the effective years of this Memorandum of Understanding, a base total compensation as defined above, for a Miscellaneous Unclassified Management Employee, will be determined in the following manner:

- 1) The average control point salary of the Miscellaneous Unclassified Management Employees currently employed will be calculated from the control point salary schedule in effect on December 20 of each preceding year, exclusive of Council Officers.
- 2) From this average control point salary, an array will be developed to establish the base total compensation for an Unclassified Employee whose total compensation is deemed to be the average of the Unit.

C. It will be the prerogative of the Miscellaneous Unclassified Management Employees to allocate the distribution of total compensation monies among the following element areas: 1) Salary, 2) Life Insurance Premiums, 3) Medical Insurance Premiums, subject to the requirement that the amount of the Kaiser single health insurance premium, including the PEMHCA minimum, be included in the mandatory section of the total compensation array, 4) Long-Term Disability Insurance, and 5) Non-recoverable Health Services/Professional Development, except as otherwise noted in this Memorandum of Understanding.

2. ADJUSTMENT OF TOTAL COMPENSATION

- A. YEAR 1 (12/05 – 12/06). Effective the pay period commencing December 18, 2005, for all classifications represented by the Miscellaneous Unclassified Management Employees, the City shall adopt a monthly total compensation schedule using the “average control point salary” of the Miscellaneous Unclassified Management Employees as described in Section 1.B. of this MOU that will increase the total compensation by 1.0%. The City will contribute outside of the salary adjustment form / total compensation schedule used by the City to determine the salary and other adjustments that will result from this total compensation increase: (1) fifty percent (50%) of the employer California Public Employee Retirement System (CalPERS) retirement rate; and (2) the amount of the City’s contribution to retiree health using the same methodology used in the City’s total compensation survey (entitled, “Total Compensation Array”). The new salary adjustment form / total compensation schedule shall reflect the applicable City rates for CalPERS, PEMHCA, Social Security and Medicare.

Effective the beginning of the pay period which includes July 1, 2006, the salary adjustment form / total compensation schedule which was used to develop the December 2005 total compensation schedule using the “average control point salary” of the Miscellaneous Unclassified Management employees will be adjusted to reflect the change in the City’s CalPERS rate from the period of July 1, 2005 through June 30, 2006 to the period of July 1, 2006 through June 30, 2007. The City will contribute fifty percent (50%) of the employer CalPERS retirement rate outside of the salary adjustment form / total compensation schedule. The adjustment of the salary adjustment form / total compensation schedule will modify only the salary and CalPERS contribution elements and the total compensation will not change.

- B. YEAR 2 (12/06 – 12/07). Effective the pay period commencing December 17, 2006, for all classifications represented by the Miscellaneous Unclassified Management Employees, the City shall adopt a monthly total compensation schedule using the “average control point salary” of the Miscellaneous Unclassified Management Employees as described in Section 1.B. of this MOU that reflects the new employer CalPERS retirement rate applicable under the enhanced 2.7% at age 55 formula (see description in Section 3.) and increases the total compensation by a total of 4.0%. The City will contribute outside of the salary adjustment form / total compensation schedule used by the City to determine the salary and other adjustments that will result from this total compensation increase: (1) fifty percent (50%) of the employer CalPERS retirement rate; and (2) the amount of the City’s contribution to retiree health using the same methodology used in the City’s total compensation survey (entitled, “Total Compensation Array”). The new salary adjustment form / total compensation schedule shall reflect the applicable City rates for CalPERS, PEMHCA, Social Security and Medicare.

Effective the beginning of the pay period which includes July 1, 2007, the salary adjustment form / total compensation schedule which was used to develop the December 2006 total compensation schedule using the

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“average control point salary” of the Miscellaneous Unclassified Management employees will be adjusted to reflect the change in the City's CalPERS rate from the period of July 1, 2006 through June 30, 2007 to the period of July 1, 2007 through June 30, 2008. The City will contribute fifty percent (50%) of the employer CalPERS retirement rate outside of the salary adjustment form / total compensation schedule. The adjustment of the salary adjustment form / total compensation schedule will modify only the salary and CalPERS contribution elements and the total compensation will not change.

- C. YEAR 3 (12/07 – 12/08). Effective the pay period commencing December 16, 2007, for all classifications represented by the Miscellaneous Unclassified Management Employees, the City shall adopt a monthly total compensation schedule using the “average control point salary” of the Miscellaneous Unclassified Management Employees as described in Section 1.B. of this MOU that will increase the total compensation by 2.5%. The City will contribute outside of the salary adjustment form / total compensation schedule used by the City to determine the salary and other adjustments that will result from this total compensation increase: (1) fifty percent (50%) of the employer CalPERS retirement rate; and (2) the amount of the City's contribution to retiree health using the same methodology used in the City's total compensation survey (entitled, “Total Compensation Array”). The new salary adjustment form / total compensation schedule shall reflect the applicable City rates for CalPERS, PEMHCA, Social Security and Medicare.

Effective the beginning of the pay period which includes July 1, 2008, the salary adjustment form / total compensation schedule which was used to develop the December 2007 total compensation schedule using the “average control point salary” of the Miscellaneous Unclassified Management employees will be adjusted to reflect the change in the City's CalPERS rate from the period of July 1, 2007 through June 30, 2008 to the period of July 1, 2008 through June 30, 2009. The City will contribute fifty percent (50%) of the employer CalPERS retirement rate outside of the salary adjustment form / total compensation schedule. The adjustment of the salary adjustment form / total compensation schedule will modify only the salary and CalPERS contribution elements and the total compensation will not change.

### 3. CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

The City and represented employees have agreed to enhance their CalPERS retirement benefit from the current 2.0% at age 55 formula to the 2.7% at age 55 formula effective December 17, 2006, Year 2 of this MOU. The City and Miscellaneous Unclassified Management Employees shall cooperate to take all necessary actions required by law to effectuate this CalPERS retirement benefit enhancement effective on December 17, 2006.

During Year 1 of this MOU, the City will continue to contribute fifty percent (50%) of the employer CalPERS retirement rate under the 2.0% at age 55 formula outside of the salary adjustment form / total compensation schedule, and in the same manner as the City did under the 2003-05 MOU. Beginning in Year 2 of this MOU, under the enhanced 2.7% at age 55 formula, the City will continue to

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contribute fifty percent (50%) of the employer CalPERS retirement rate applicable under the enhanced 2.7% at age 55 formula outside of the salary adjustment form / total compensation schedule.

The employee's CalPERS retirement contribution will continue to be treated as tax deferred.

### 4. DENTAL PROGRAM

Unit 9 agrees to meet with representatives of other City Employee groups for the purpose of determining the amount of money to be contributed by the City to the City of Santa Clara Dental Reimbursement Plan. The Unclassified Management Employees agree that the amount decided upon by the majority of the Employee Representatives will be binding upon the Unclassified Management Employees during the life of this Memorandum. It is understood by the Unclassified Management Employees that any monies contributed to the Dental Reimbursement Plan will be charged to total compensation monies available for allocation.

### 5. APPLICATION OF MOU TO REIMBURSED SERVICES

The terms of this Memorandum of Understanding shall not apply to Unclassified Management Employees when such employees are providing their services to another agency that is reimbursing the City of Santa Clara for salary and fringe benefits of such employees. Such arrangements shall be mutually agreed upon between the employee and the City.

### 6. HOLIDAYS

The number of annual paid holidays included in the total compensation allocation will be 13 days (computed on the eight hour per day pay rate). Any additional permanent holidays designated by the City Council will be afforded represented employees of Unit 9. However, such holidays will be charged against total compensation. Additional permanent holidays under this section shall be defined as a holiday on which City offices are closed.

### 7. JOB SECURITY

Represented members will be compensated at the rate of forty (40) hours salary per year of service to a maximum of six hundred and forty (640) hours should they be terminated from employment for reasons other than cause as defined under Section 6.4 of the Civil Service Rules and Regulations.

### 8. VACATION ACCRUAL AND USAGE

Represented employees will be entitled to use vacation as it is earned under the following conditions:

- A. Vacation may not be taken during the first 6 months of regular employment.
- B. Vacation will be earned on a bi-weekly basis (1/26 of the yearly accrual) provided that the employee is in a paid status for at least 2/3 of the hours (53.4 hours) of that pay period.

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- C. Accrued vacation time will be paid off regardless of term of employment.
- D. Annual and maximum vacation accrual rates, calculated to four decimal points for accuracy, are as follows:

<u>COMPLETED YEARS OF SERVICE</u>	<u>ANNUAL ACCRUAL</u>	<u>MAXIMUM ACCRUAL</u>
1 through 4	80 hours	400 hours
5 through 9	120 hours	400 hours
10+ years	168 hours	400 hours

- E. Employees are limited to the maximum accrual of vacation as defined. Employees may temporarily exceed the allowed maximum vacation accrual, subject to the vacation balance as of the end of the pay period which includes December 31<sup>st</sup> of each year being reduced to the maximum allowable accrual. The current vacation balance, the annual accrual and the current pay period usage are all shown on the employees' pay check stub and are the responsibility of the employee to track for compliance with this provision.

Vacation that is temporarily allowed to exceed the maximum allowable accrual and is removed from the vacation balance as of the end of the pay period, which included December 31<sup>st</sup> of each year, may be donated to the Emergency Paid Leave Fund at the direction of the employee.

- F. Vacation may be used in one-tenth (1/10th) hour increments.
- G. Employees who begin work prior to July 1st or continue to be employed after the first calendar year of employment are required to use at least one-half of the vacation accrued during the prior calendar year during the current calendar year.
- H. Subject to having a sufficient balance of accrued vacation available, an employee may, on a once per year basis, request to be paid at his/her current hourly pay rate for a maximum of 40 hours of accrued vacation if he/she has taken at least one-half (1/2) of the vacation earned in the previous calendar year during the current calendar year.
- I. Subject to having a sufficient balance of accrued vacation available, a Miscellaneous Unclassified Management employee may, on a once-per-year basis, convert a separate maximum of forty (40) hours of accrued vacation to cash at his/her current hourly rate of pay.
- J. In lieu of receiving a vacation-leave cash payout at retirement, the Miscellaneous Unclassified Management Employees may vote to roll accrued vacation leave hours into the employee's VEBA account, subject to Association compliance with Federal rules associated with employee contributions of vacation leave to their VEBA accounts.



9. HEALTH INSURANCE PREMIUMS

A. Mandatory Health Allocation

Kaiser single employee health insurance will be included in the Total Compensation array as a Mandatory Allocation. The amount allocated for Kaiser single employee health insurance will be the premium minus the statutorily required Public Employees Medical and Hospital Care Act (PEMHCA) contribution. The PEMHCA contribution will remain in the Total Compensation array as a separate Mandatory Allocation. The City will change the dollar amount designated within the array for Kaiser single employee health insurance when the premium amount changes and/or when the statutorily required PEMHCA contribution changes.

B. Discretionary Health Allocation

The Miscellaneous Unclassified Management Employees may (on a once-a-year basis, commencing with the beginning of the calendar year) designate within the discretionary portion of the total compensation array a fixed monthly sum for all represented employees for employee plus one or full family coverage. In order to offset the increase in premium that may be expected during the course of the calendar year, the Miscellaneous Unclassified Management Employees monthly discretionary allocation for health insurance premiums may exceed the cost of the lowest cost family medical insurance premium coverage available to employees who reside within Santa Clara County by an amount not to exceed ten percent (10%) above said premium at the time of the annual allocation of total compensation monies. If the health insurance premium for an individual employee exceeds the amount allocated, the balance is paid by way of a salary deduction from the pay of the individual employee.

C. Health Allocation Refund

All individual employees having health insurance payments made on his/her behalf that are less than the monthly amount allocated by the Miscellaneous Unclassified Management Employees will have the difference refunded on a once-a-month basis. Such payments shall be made on the first paycheck issued in each month. This refund program requires the following qualifications: 1) it must be a health insurance program; and 2) it must be a health insurance vendor with a current contract with the City through the CalPERS Health Insurance Program. City health insurance coverage will be at the option of the individual employee. It is the intent of this section that employees opting not to have City health coverage will be refunded the full amount allocated on their behalf for health insurance.

D. The City shall comply with the provisions of the Family and Medical Leave Act of 1993 (FMLA) and the California Family Rights Act of 1993 (CFRA).

10. AUTOMOBILE ALLOWANCE

As an alternative to IRS mileage reimbursement or use of a City vehicle, an automobile allowance program will be available to represented employees as

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follows:

- A. Department Heads including Assistant City Manager, Deputy City Manager and Deputy Director Redevelopment Agency/Sports & Open Space Authority (Executive Management) shall be entitled to a base monthly automobile allowance of \$250 for use of their personal vehicles to conduct City business. Executive Management employees may be eligible to receive an additional amount up to a maximum of \$200 per month based on required driving while conducting City business, at the discretion of the City Manager or his/her designee.
- B. Assistant Department Heads and Division Managers shall be entitled to a base monthly automobile allowance of \$150 for use of their personal vehicles to conduct City business. Assistant Department Heads and Division Managers may be eligible to receive an additional amount up to a maximum of \$300 per month based on required driving while conducting City business, at the discretion of the City Manager or his/her designee.
- C. Upon request of the employee, prior to the beginning of each fiscal year, the City Manager or his/her designee will determine whether or not it is appropriate for a manager to receive an amount above the base monthly allowance. The determination will be made based on the requirements for use of the personal vehicles for City business and may require detailed driving information in order to grant an amount above the base monthly amount. This rate adjustment will become effective at the beginning of each fiscal year and will remain in effect for the full year unless there are unique circumstances requiring a modification.
- D. Prior to the granting of this allowance, all insurance, driver's license, and vehicle registration as required under the State of California Vehicle Code, will be provided by the represented employee, and must be valid and in force at all times employees are operating their personal vehicles on City business.
- E. Employees receiving the automobile allowance are responsible for all gasoline and maintenance costs. Employees shall also maintain their personal vehicles in a clean and presentable condition while conducting City business.
- F. A represented employee, who is currently assigned a City vehicle, may choose to continue using that assigned City vehicle in lieu of the automobile allowance.
- G. The City reserves the right to substitute an assigned City vehicle in lieu of this automobile allowance for a represented employee if it is deemed to be in the City's best interest to provide a City vehicle to conduct City business.
- H. A represented employee who is currently reimbursed for use of a personal vehicle in accordance with the IRS mileage reimbursement rate, may continue to utilize direct mileage reimbursement, in lieu of participation in this automobile allowance program.

11. NON-RECOVERABLE HEALTH SERVICES/PROFESSIONAL DEVELOPMENT

Represented employees shall have the right to allocate total compensation monies toward Non-Recoverable Health Services or Professional Development. This program is designed to provide reimbursement to the employee of the cost of services that are not covered as a part of the City's Medical Insurance Program or for non-reimbursed costs incurred as a result of the employee's expenditure in professional activities, organizations, or materials, which are related to his/her position with the City.

Monies deposited in this fund shall be distributed to represented employees on or about November 15 of each year subject to the following conditions:

- A. The right to collect the benefit or a pro-rated amount thereof shall vest on November 15 of each year only for represented employees employed as of that date; except that the right to collect the total benefit shall earlier vest in the case of an Unclassified Management Employee whose service is terminated by death or retirement in which case, it shall vest on such date of death or retirement at which time the benefit also becomes payable.
- B. For employees entering the Unclassified Service on or after January 1 of each year and whose right to the benefit vests, payment shall be made according to the following table:

<u>Entered Service</u>		<u>Amount Paid</u>
<u>On or After</u>	<u>But Before</u>	
Jan. 1	Feb. 1	Full Amount
Feb. 1	Mar. 1	91.7%
Mar. 1	Apr. 1	83.3%
Apr. 1	May 1	75.0%
May 1	June 1	66.7%
June 1	July 1	58.3%
July 1	Aug. 1	50.0%
Aug. 1	Sept. 1	41.7%
Sept. 1	Oct. 1	33.3%
Oct. 1	Nov. 1	25.0%
Nov. 1	Nov. 16	16.7%
Nov. 16	Dec. 31	0.0%

- C. No represented employee shall be entitled to more than the allocation for this benefit in any calendar year.
- D. Prior to receiving the benefit, the employee or his/her heirs shall file a certificate in a form prescribed by the Finance Department setting forth the taxable status of the benefit. In the event no such certificate is filed, the entire amount of the benefit paid shall be included as "other compensation" on the employee's W-2 form for the calendar year concerned.

12. EMERGENCY PAID LEAVE PROGRAM

A. ADMINISTRATION

Administration of this program shall be provided by a three (3) member Emergency Paid Leave Board (Board), consisting of two (2) members of the Unit 9 Board and the City Director of Human Resources (or designee). Determination of eligibility to use the vacation established in this Emergency Paid Leave pool will be by majority vote of this board. An adverse decision of this board may be appealed to the Unit 9 Board of Directors and their determination shall be final.

B. METHOD OF DONATION

- 1) Contribution of vacation will be computed at the employee's base hourly rate of pay (excluding premium or specialty pay).
- 2) Contribution may be made from earned vacation, CTO or cash only. Conversion of Sick Leave to Vacation for purposes of donation to this pool will be immediately credited to the pool.
- 3) In a case where it has become known that an employee has been seriously injured or has a life-threatening illness and is in need of assistance from the Emergency Paid Leave Pool, contributions from accrued Sick Leave, computed at the contributing employee's base hourly rate of pay (excluding premium or specialty pay) may be made for the benefit of that specific employee who has the need.
- 4) Employee may authorize the City to automatically convert vacation that should be accrued to the employee to the pool when the employee's vacation accrual has reached the maximum allowed.
- 5) Funds contributed to the Emergency Paid Leave Pool will be placed in an interest bearing Trust Fund. The Trust Fund will be accumulated in total dollars. No record of number of hours contributed to the Pool will be maintained. An employee making a donation to the Pool will not have a vested right to the amount donated.
- 6) Employees, appointed Council officers, and the elected City Clerk may contribute earned vacation, CTO or cash to the Emergency Paid Leave Pools of other City bargaining groups.

C. USE OF POOL

- 1) Employee must have a verified emergency need for time off to request Emergency Paid Leave from the pool. Medical emergencies for the employee or dependent shall be verified by a doctor's certification and shall include the anticipated duration of the medical emergency. Non-medical emergencies shall be verified by certification acceptable to the Board and shall include the anticipated duration of the emergency.

- 2) Employee must have exhausted appropriate paid leave (sick leave including eligible conversion to vacation or vacation) prior to becoming eligible to request emergency paid leave benefits from the pool.
- 3) The maximum time available from the pool (subject to the assets of the pool) will be 320 hours (four [4] pay periods) for Emergency Paid Leave benefits due to the illness or injury of the employee or the maximum allowable accrual of vacation for emergency needs of the family of the employee.
- 4) Emergency Paid Leave will be deducted from the pool based upon the employee's base hourly rate of pay (excluding premium or specialty pay).
- 5) Emergency Paid Leave hours will be made available for use in the pay period following approval by the Miscellaneous Unclassified Management Employees' Emergency Paid Leave Board.
- 6) Use of Emergency Paid Leave from the pool will be treated in the same manner as use of regular vacation. The employee will continue to accrue sick leave, vacation, insurance coverage and other benefits in the same manner as he/she would if using regularly credited vacation.
- 7) Emergency Paid Leave, which has been credited to the employee and has not been used when the emergency has terminated will be reinstated to the pool. Vacation, sick leave and other benefits, which have accrued to the employee, will remain in the employee's account.

13. SICK LEAVE/FAMILY SICK LEAVE/PERSONAL LEAVE

A. SICK LEAVE

- 1) Employees shall accrue ninety-six (96) hours of sick leave per year of regular City employment. Sick leave shall accrue in equal amounts each pay period. Employees shall not accrue sick leave while they are on unpaid status.
- 2) Use of sick leave will be under the same terms and conditions as are now in place. Vacation, Unclassified CTO, and Management Leave may be used to supplement sick leave with Department Head approval, as permitted and set forth in CMD 30.

B. FAMILY SICK LEAVE

- 1) Not more than forty eight (48) hours of sick leave within one calendar year shall be granted to any employee for the care or attendance upon members of his/her immediate family, unless the use of additional leave is approved by the City Manager or designee. "Immediate family" is defined as spouse, parent, child, sibling, grandparent, grandchild, aunt, uncle, niece, nephew, first cousin, parent by marriage, step-parent, step-child, grandparent by marriage, son-in-law, daughter-in-law, sibling by marriage, foster parent, domestic partner, anyone residing with employee, or anyone dependent on the employee for care.

C. PERSONAL LEAVE

- 1) Each calendar year, an employee is entitled to use thirty-two (32) hours of accrued sick leave as Personal Leave, provided he/she has sufficient sick leave balance available.
- 2) Personal leave is intended to provide the employee with paid time off to attend to legitimate personal business that may arise from time to time during the year. Personal Leave may be used to supplement sick leave as required.
- 3) The employee has an obligation to provide as much notice as possible so as to allow for proper scheduling by the department.
- 4) Providing that the minimal requirements of proper notification have been met, the use of Personal Leave should not be denied.
- 5) The adoption of this program does not modify the existing ability of the employee to exchange up to 96 hours of accrued sick leave for up to 48 hours of vacation, based upon two (2) hours of sick leave for one (1) hour of vacation as provided and defined in the Personnel and Salary Resolution.

14. BEREAVEMENT LEAVE

- A. The City will provide employees with a paid bereavement leave benefit to attend to the customary obligations arising from the death of a member of an employee's immediate family, as defined in this Section 22(A). Employees are eligible to receive up to forty (40) hours of bereavement leave in the event of the death of a parent (including step, adoptive and in-law), child (including step, adoptive and in-law), sibling (including step, adoptive and in-law), spouse or domestic partner; up to three (3) work days (regardless of shift assigned) of bereavement leave in the event of the death of a grandparent (including step, adoptive and in-law), grandchild (including step, adoptive and in-law), aunt (including step, adoptive and in-law) or uncle (including step, adoptive and in-law); and up to one (1) work day (regardless of shift assigned) of bereavement leave in the event of the death of their own or a step, adoptive, or in-law great-grandparent, great-grandchild, niece, nephew, or first cousin.
- B. The bereavement leave benefit is based on each death occurrence and is not charged through the total compensation model.
- C. Up to five (5) work days of additional bereavement leave may be charged to an employee's sick leave balance with City Manager approval.
- D. At the request of the City, the employee will provide verification.

15. VOLUNTARY EMPLOYEE BENEFICIARY ASSOCIATION (VEBA)

- A. The City established a Voluntary Employee Beneficiary Association (VEBA) trust under Internal Revenue Code Section 501(c)(9) for the purpose of providing a defined contribution post retirement medical benefit for

employees. The City will no longer make contributions to employee VEBA accounts effective December 21, 2003. Employee VEBA accounts will remain open for other potential contributions. Specific information regarding the Plan is referenced in the Plan Document.

- B. VEBA is a tax-exempt trust account formed under Internal Revenue Code Section 501(c)(9) designed to accumulate assets to fund the future payment of qualified unreimbursed medical expenses (including specified insurance premiums). At retirement, participants may withdraw the accumulated plan benefits to pay for unreimbursed health insurance premiums, qualified long-term care insurance premiums, and other qualified unreimbursed medical expenses and will not be taxed under current state and federal law. Withdrawals cannot be made for non-medical purposes.

16. RETIREE MEDICAL REIMBURSEMENT BENEFIT

- A. The Retiree Medical Reimbursement Benefit shall provide each employee who retires from the City with at least ten (10) years of regular City service with a reimbursement for unreimbursed single retiree health insurance premium beginning with the first full month of retirement from City service and ending with the last full month before the retiree's sixty-fifth (65<sup>th</sup>) birthday. Starting in the month in which the retiree turns age sixty-five (65), the reimbursement will be for unreimbursed Medicare single retiree supplemental health insurance premium. For premiums paid in calendar year 2005 that will be reimbursed in 2006, the City will reimburse an amount up to \$256 per month, including the PEMHCA minimum, for unreimbursed single retiree health insurance premium or up to \$154 per month, including the PEMHCA minimum, for unreimbursed Medicare single retiree supplemental health insurance premium. The amount of the City reimbursement will be adjusted thereafter once each year by the percentage change from October to October in the San Francisco-Oakland-San Jose urban wage earners and clerical workers (W) consumer price index from the prior year, but in no event will be increased more than 3.5%.
- B. Beginning in 2004, the City will pre-fund this benefit with an amount to be determined by an actuary.
- C. Each retiree will be required to submit proof of health insurance coverage to the City each year. The City will pay the reimbursement in a lump sum payment each year.

17. EMPLOYEE ASSISTANCE PROGRAM

The City will provide a confidential Employee Assistance Program for represented employees to be funded outside of Total Compensation.

18. CHANGES TO JOB DESCRIPTIONS

Should the City propose a change of the job description, or should the City propose a new job classification and job description, of any job classification represented herein, the City Manager or designee will provide a copy of that proposed job description to Unit 9 for its review and comment back at least ten (10) work days before it is scheduled to be presented to the City Council for

adoption. If the proposed compensation control point of a new classification has been established, the City Manager will also provide that proposed compensation control point to Unit 9 for its comment. For a revision of an existing job description, Unit 9 may include a request that the City Manager review the existing compensation control point for the job classification if there has been a significant change in the duties, responsibilities, or safety hazards of the job classification. The City Manager will give consideration to Unit 9 comments, but the final decision on the job description and compensation control point that is submitted to the City Council for adoption will be made by the City Manager.

19. LIMITED/ALTERNATIVE DUTY

A. ALTERNATE WORK SCHEDULE (NINE-EIGHTY SCHEDULE)

A Miscellaneous Unclassified Management employee shall be eligible to work a 9/80 alternate work schedule according to the conditions, criteria, and requirements set forth in City Manager's Directive 71. Requests to work a 9/80 schedule shall be made through or by the Department Head to the City Manager. The City Manager must approve the schedule and the City Manager or Department Head (for employees other than Department Heads) may terminate the schedule at any time.

B. JOB RELATED ILLNESS OR INJURY

Employees with a job related illness or injury, covered by Workers' Compensation, which prohibits performance of their regular duties, will be reassigned to limited or alternative duty under the following conditions:

- 1) Supervisors shall be advised of any industrial injury/illness as soon as practical.
- 2) Upon receipt of a Doctor's report providing work limitations, the City may identify a regular or modified assignment for which the employee has the required experience and training. Such assignment may be on a 40 hour per week or less basis, if mutually agreed between the City and the employee.
- 3) If the City is unable to identify a limited or alternative duty assignment for which the employee has the required experience and training, the employee will be reassigned to a Monday through Friday work schedule to accommodate required medical or other workers' compensation commitments.

C. NON JOB RELATED ILLNESS, INJURY OR CONDITION

Employees who have a non job related illness, injury or condition which prohibits performance of the employee's regular duties, may request assignment to limited or alternative duty. Nothing in these provisions is intended to imply that an employee has a right to a limited/alternative duty assignment, unless expressly provided by law. Such request will be accommodated, unless no appropriate limited or alternative duty assignment is available, under the following conditions:



*MEMORANDUM OF UNDERSTANDING – UNIT #9 (2005-2008)*

- 1) Identification by the City of a regular or modified assignment for which the employee has the essential experience and training. Such assignment may be on a 40 hour per week or less basis, if mutually agreed between the City and the employee.
- 2) Submission of a written release from employee's doctor, subject to review by the City doctor, which allows the employee to perform all of the duties of the contemplated assignment.
- 3) Employee may account for regular work schedule through a combination of limited or alternative duty hours and sick leave or other paid leave sufficient to maintain eligibility for regular accrual of benefits.

D. WORK WEEK Under both limited or alternative duty assignments employees will be required to work their regularly scheduled number of hours (normally forty (40) hours) per week, unless such assignment is modified by mutual agreement between the City and the employee. It is recognized that performance of limited or alternative duty assignments will not be permitted to interfere with any medically related treatment designed to assist the employee to return to full, unrestricted duty in the earliest possible time frame.

E. TEMPORARY ASSIGNMENT All such assignments, and their duration, are temporary assignments and are subject to periodic sixty (60) day review of the employee's continued need for limited or alternative duty, the employee's continued ability to perform the limited or alternative duty and the department's ability to continue the employee in the assignment. All temporary assignments shall be at the employee's regular rate of pay.

F. LAW TO PREVAIL In the event the Americans With Disabilities Act requires modification of the provisions of this section, it is agreed that the law will prevail.

20. REDUCED WORK WEEK/VOLUNTARY TIME OFF (VTO) PROGRAM

A. EMPLOYEE PARTICIPATION Employee participation in this plan is with the City's understanding and agreement that employee participation cannot be interpreted as anything other than a temporary and limited good faith effort by the employee to help ease the current budget crisis. Participation is not to be construed as a representation of employee commitment to a permanent program or an admission of any kind that the employee would not be harmed by such a plan becoming mandatory.

B. REDUCED WORK WEEK/REDUCED PAY Employees may request a reduced work week schedule (32 hours per week instead of 40 hours per week, for example) at the same hourly rate of pay, subject to the following conditions:

- 1) With the approval of the Department Head and the City Manager, a binding work schedule as requested by the employee will be developed that may be modified only with the approval of both the City and the employee.

- 2) More than a 20% reduction of the work week in a pay period will result in proportionate reduction of accrual of sick leave and vacation.

21. INDUSTRIAL INJURY/CONTINUATION OF INSURANCE BENEFITS WHILE ON WORKERS' COMPENSATION

Workers authorized by the City's Workers' Compensation Administrator to undergo therapy or treatment due to an industrial injury, who are required to leave work, shall receive leave with pay, including reasonable travel time, providing the treatment falls within the normal working hours, is pre-scheduled and cannot be scheduled during non-work hours.

The City will continue payment toward health, dental and life insurance coverage for the employee and dependents up to the maximum amount allocated under total compensation for an employee who is disabled from work because of a work related injury if the employee is no longer in a paid status sufficient to continue the coverage afforded under the terms of the program, subject to the following conditions:

- A. The employee may not increase the existing coverage after the date of injury except to add children born within nine months of the injury.
- B. Continuation toward payment of employee and dependent health/dental/life insurance coverage up to the maximum allocated under Total Compensation is limited to one (1) year from the date of injury. Continuation toward payment of employee health/dental/life insurance coverage up to the maximum allocated under Total Compensation may be extended if the employee continues to be on temporary disability status for a Workers' Compensation injury.
- C. The employee has supplemented his/her workers' compensation benefit with sick leave, vacation, unclassified CTO, management leave or other paid leave sufficient to qualify for payment of the health/dental/life insurance premium and is no longer entitled to any salary from the City.

22. MANAGEMENT LEAVE PROGRAM

The Management Leave Program is as follows:

- A. Effective January 1 of each year, represented employees will be credited with 64 hours of Management Leave per calendar year.
- B. New hires or employees promoted into Unit 9 between January 1 and June 30 will be credited with 64 hours of Management Leave. New hires or employees promoted into Unit 9 between July 1 and December 31 will be credited with 32 hours of Management Leave.
- C. Use of Management Leave is subject to approval by the City Manager or his/her designee. Such use shall be approved unless staffing or other conflicts prohibit such approval.
- D. Management Leave is not charged through the Total Compensation Array.

- E. Management Leave may not be converted to cash or other paid time off.
- F. Unused Management Leave does not carry over from one calendar year to the next.

23. FLEXIBLE SPENDING PLAN (INTERNAL REVENUE CODE SECTION 125)

The City will make available a Flexible Spending Plan under the Internal Revenue Code Section 125 for employees. Employees may contribute pre-tax (federal, state, FICA, Medicare) dollars for dependent care and qualified unreimbursed medical expenses. This Plan will follow the regulations outlined by the Internal Revenue Code. Detailed information will be available in the Summary Plan Document.

The City will pay the administrative expenses for the plan. This Plan is voluntary and participating employees will pay the monthly participation cost. The monthly participation cost will be considered pre-tax, as defined above, under Internal Revenue Code Section 106. Participating employees will be provided with an Employee Plan Summary and regular statements regarding the status of their flexible spending accounts.

24. DOMESTIC PARTNERS

The City shall make all benefit programs available to employees, dependents and domestic partners, subject to the requirements of each benefit provider.

25. DECLARATION

The parties hereto have reached an understanding concerning the proposed salaries and fringe benefits described in the above paragraphs. All other matters dealing with wages, hours, fringe benefits including health and dental insurance contributions, and working conditions included in ordinances, resolutions, rules or regulations, or previous memorandums of understanding, shall remain unchanged for the term of this memorandum in the absence of agreement to the contrary.

26. NEXT MEMORANDUM OF UNDERSTANDING

Unit 9 will submit its proposals for a Memorandum of Understanding for the term commencing at the expiration of this Memorandum of Understanding no later than November 1, 2008.

MEMORANDUM OF UNDERSTANDING – UNIT #9 (2005-2008)

FOR THE CITY OF SANTA CLARA

(Eddie Kreisberg)

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FOR THE CITY OF SANTA CLARA  
MISCELLANEOUS UNCLASSIFIED  
MANAGEMENT EMPLOYEES

(Jim Parissenti)

(Alan Kurotori)

\_\_\_\_\_

APPROVED: (Jennifer Sparacino)  
JENNIFER SPARACINO, City Manager

APPROVED BY THE CITY COUNCIL ON: March 7, 2006

ATTEST: (Rod Diridon Jr.)  
RODNEY DIRIDON, JR., City Clerk